

AMENDED IN ASSEMBLY APRIL 16, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1508

Introduced by Assembly Member Torrico

February 27, 2009

An act to add Sections 17052.55 and 23655 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1508, as amended, Torrico. Income and corporation taxes: credit: lending employees to schools.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would allow a credit under both laws in an amount equal to an unspecified amount of qualified expenses paid or incurred in connection with lending a qualified employee to a *Title I* public school ~~or vocational institution~~, *as defined*, for the purpose of *assisting in the teaching of* mathematics or science.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17052.55 is added to the Revenue and
- 2 Taxation Code, to read:

1 17052.55. (a) For each taxable year beginning on or after
2 January 1, 2010, there shall be allowed as a credit against the “net
3 tax,” as defined in Section 17039, an amount equal to ____ percent
4 of the amount paid or incurred during the taxable year for qualified
5 expenses in connection with lending a qualified ~~employee to a~~
6 ~~public school or vocational institution for the purpose of teaching~~
7 ~~mathematics or science.~~ *employee to a Title I public school for the*
8 *purpose of assisting in the teaching of mathematics and science.*

9 (b) For purposes of this section:

10 (1) “Qualified expenses” means both of the following:

11 (A) Amounts paid or incurred by the taxpayer with respect to
12 expenses incurred by or on behalf of a taxpayer’s employee for
13 the amount of compensated hours utilized for lending a qualified
14 ~~employee to a public school or vocational institution for the~~
15 ~~purpose of teaching mathematics or science.~~ *employee to a Title*
16 *I public school for the purpose of assisting in the teaching of*
17 *mathematics and science.*

18 (B) Expenses paid or incurred by the taxpayer for the wages of
19 a qualified employee, to the extent those wages are allocable to
20 teaching.

21 (2) “Qualified employee” means an employee whose
22 employment specialty includes mathematics or science.

23 ~~(3) “Public school” means any high school in this state that is~~
24 ~~a part of a public school district.~~

25 (3) *“Title I public school” means any high school in the state*
26 *that is a part of a public school district in which at least 40 percent*
27 *of the children in the school attendance area are from low-income*
28 *families or at least 40 percent of the students enrolled are from*
29 *low-income families eligible to receive federal Title I funds.*

30 (4) “Mathematics” means instruction designed to develop
31 fluency in basic computational skills and an understanding of
32 mathematical concepts and mathematical reasoning and problem
33 solving, including, but not limited to, number sense, algebraic
34 functions, geometry and other measurement functions, statistics,
35 data analysis, probability analysis, and quantitative concepts.
36 “Mathematics” includes, but is not limited to, courses in algebra
37 I, algebra II, linear algebra, calculus, geometry, trigonometry,
38 mathematical analysis, probability and statistics, and advanced
39 probability and statistics.

(5) “Science” means instruction designed to develop skills and procedures for the systematic pursuit of knowledge that includes, but is not limited to, problem solving and recognition, the collection of data through observation and experiment, and the formulation and testing of hypotheses. “Science” includes, but is not limited to, courses in biology, life science, physical science, physics, chemistry, geoscience, health science, and computer science.

(c) A credit shall be allowed under this section only if a *Title I* public school issues a service record to the taxpayer certifying receipt of the ~~teaching~~ services and compliance with the requirements of subdivision (e). That service record shall contain the employee’s name, dates of teaching service, number of teaching hours, verification of the employee’s eminence credential, or eligibility for the issuance thereof, ~~a copy of the school district’s written determination that no credentialed teacher was reasonably available~~, and a verification signature from an authorized agent or designee of the high school.

(d) No deduction ~~may~~ *shall* be allowed to a taxpayer for that amount of expenses for which a credit is allowed to that taxpayer under this section.

(e) No credit ~~may~~ *shall* be allowed under this section with respect to the lending of a qualified employee to a high school unless ~~all~~ *both* of the following apply:

~~(1) The employee has been issued, or is eligible for the issuance of, an eminence credential pursuant to Section 44262 of the Education Code, as certified by the employing school district.~~

~~(2) The employee has filled a vacant teaching position for which the school district has determined in writing that no teacher possessing a valid credential or authorization to teach mathematics or science was reasonably available as certified by the employing school district.~~

(1) The employee does not supplant, or otherwise replace, any teacher at the school.

~~(3)~~
(2) The taxpayer makes charitable donations including, but not limited to, classroom materials, resources, equipment, and facilities.

(f) The maximum amount allowable as a credit to the taxpayer shall be based on ____ percent of the total amount of charitable contributions to the school for that taxable year.

(g) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and the succeeding seven years if necessary, until the credit is exhausted.

SEC. 2. Section 23655 is added to the Revenue and Taxation Code, to read:

23655. (a) For each taxable year beginning on or after January 1, 2010, there shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to ____ percent of the amount paid or incurred during the taxable year for qualified expenses in connection with ~~lending a qualified employee to a public school or vocational institution for the purpose of teaching mathematics or science.~~ *employee to a Title I public school for the purpose of assisting in the teaching of mathematics and science.*

(b) For purposes of this section:

(1) “Qualified expenses” means both of the following:

(A) Amounts paid or incurred by the taxpayer with respect to expenses incurred by or on behalf of a taxpayer’s employee for the amount of compensated hours utilized for ~~lending a qualified employee to a public school or vocational institution for the purpose of teaching mathematics or science.~~ *employee to a Title I public school for the purpose of assisting in the teaching of mathematics and science.*

(B) Expenses paid or incurred by the taxpayer for the wages of a qualified employee, to the extent those wages are allocable to teaching.

(2) “Qualified employee” means an employee whose employment specialty includes mathematics or science.

~~(3) “Public school” means any high school in this state that is a part of a public school district.~~

(3) “Title I public school” means any high school in the state that is a part of a public school district in which at least 40 percent of the children in the school attendance area are from low-income families or at least 40 percent of the students enrolled are from low-income families eligible to receive federal Title I funds.

(4) “Mathematics” means instruction designed to develop fluency in basic computational skills and an understanding of mathematical concepts and mathematical reasoning and problem solving, including, but not limited to, number sense, algebraic functions, geometry and other measurement functions, statistics,

1 data analysis, probability analysis, and quantitative concepts.
2 “Mathematics” includes, but is not limited to, courses in algebra
3 I, algebra II, linear algebra, calculus, geometry, trigonometry,
4 mathematical analysis, probability and statistics, and advanced
5 probability and statistics.

6 (5) “Science” means instruction designed to develop skills and
7 procedures for the systematic pursuit of knowledge that includes,
8 but is not limited to, problem solving and recognition, the collection
9 of data through observation and experiment, and the formulation
10 and testing of hypotheses. “Science” includes, but is not limited
11 to, courses in biology, life science, physical science, physics,
12 chemistry, geoscience, health science, and computer science.

13 (c) A credit shall be allowed under this section only if a *Title I*
14 public school issues a service record to the taxpayer certifying
15 receipt of the ~~teaching~~ services and compliance with the
16 requirements of subdivision (e). That service record shall contain
17 the employee’s name, dates of teaching service, number of teaching
18 hours, verification of the employee’s eminence credential, or
19 eligibility for the issuance thereof, ~~a copy of the school district’s~~
20 ~~written determination that no credentialed teacher was reasonably~~
21 ~~available~~, and a verification signature from an authorized agent or
22 designee of the high school.

23 (d) No deduction ~~may~~ *shall* be allowed to a taxpayer for that
24 amount of expenses for which a credit is allowed to that taxpayer
25 under this section.

26 (e) No credit ~~may~~ *shall* be allowed under this section with
27 respect to the lending of a qualified employee to a high school
28 unless ~~all~~ *both* of the following apply:

29 ~~(1) The employee has been issued, or is eligible for the issuance~~
30 ~~of, an eminence credential pursuant to Section 44262 of the~~
31 ~~Education Code, as certified by the employing school district.~~

32 ~~(2) The employee has filled a vacant teaching position for which~~
33 ~~the school district has determined in writing that no teacher~~
34 ~~possessing a valid credential or authorization to teach mathematics~~
35 ~~or science was reasonably available as certified by the employing~~
36 ~~school district.~~

37 *(1) The employee does not supplant, or otherwise replace, any*
38 *teacher at the school.*

39 ~~(3)~~

- 1 (2) The taxpayer makes charitable donations including, but not
2 limited to, classroom materials, resources, equipment, and facilities.
3 (f) The maximum amount allowable as a credit to the taxpayer
4 shall be based on ____ percent of the total amount of charitable
5 contributions to the school for that taxable year.
6 (g) In the case where the credit allowed by this section exceeds
7 the “tax,” the excess may be carried over to reduce the “tax” in
8 the following year, and the succeeding seven years if necessary,
9 until the credit is exhausted.
- 10 SEC. 3. This act provides for a tax levy within the meaning of
11 Article IV of the Constitution and shall go into immediate effect.